VZCZCXRO5309 PP RUEHLMC DE RUEHLP #1662 1711916 ZNY CCCCC ZZH P 201916Z JUN 06 FM AMEMBASSY LA PAZ TO RUEHC/SECSTATE WASHDC PRIORITY 9647 INFO RUEHAC/AMEMBASSY ASUNCION 5938 RUEHBO/AMEMBASSY BOGOTA 3255 RUEHBR/AMEMBASSY BRASILIA 7102 RUEHBU/AMEMBASSY BUENOS AIRES 4355 RUEHCV/AMEMBASSY CARACAS 1646 RUEHPE/AMEMBASSY LIMA 1640 RUEHMN/AMEMBASSY MONTEVIDEO 3861 RUEHQT/AMEMBASSY QUITO 4280 RUEHSG/AMEMBASSY SANTIAGO 8828 RHMFISS/HQ USSOUTHCOM MIAMI FL RUMIAAA/USCINCSO MIAMI FL RUEHLMC/MILLENNIUM CHALLENGE CORP RHEBAAA/DEPT OF ENERGY WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RHEHNSC/NSC WASHINGTON DC

CONFIDENTIALLA PAZ 001662

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STATE FOR WHA/AND L.PETRONI

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TAGS: ECON PGOV PREL BL

SUBJECT: TARIJA PREFECT ON UPCOMING ELECTIONS

REF: LA PAZ 1629

Classified By: Amb. David N. Greenlee for reasons 1.4 (b) and (d).

- 11. (C) Tarija Prefect Mario Cossio told the Ambassador June 19 that like the Embassy's relationship with the GOB, his relationship with the Morales administration is complicated by instability, largely due to the GOB's unclear policies and erratic public attacks for political gain. Cossio said he had hoped for an institutional relationship with the GOB but remarked that such a relationship had not materialized.
- 12. (C) With respect to the July 2 referendum on regional autonomy, Cossio said Tarija favors autonomy and he expects at least four other departments (Santa Cruz, Beni, Pando and Cochabamba) to support the referendum. He called autonomy "vital" to the development of Bolivian democracy. Regarding the Constituent Assembly election on the same date, Cossio worried that if the Movement Toward Socialism (MAS) party performs according to its own expectations, it will consolidate control over all democratic institutions including Bolivia's nine prefects, by calling new national elections. He said the MAS is disappointed with its regional power and will look to win at least six prefects in new elections. Cossio noted that the MAS is campaigning hard in Tarija, sending many MAS activists there to win votes. Cossio also said he believes Bolivians are not interested in the elections and do not realize their significance (implying that elections are the last chance to stop the MAS). He was concerned about fragmentation of the opposition vote and said it would be critical for the opposition to form a solid block in the Assembly.
- 13. (C) Cossio discounted rumors that Tarija will join other departments to save Lloyd Aereo Boliviano, Bolivia's national airline, from collapse (see reftel). He called such a venture "risky" given Lloyd's history of financial difficulties. Cossio said Tarija's real interest is in obtaining increased air transport links, both nationally and internationally.
- $\P4$. (C) Comment: The MAS continues to view Cossio and his hydrocarbons-rich department as a threat to its power, and

Cossio has been a strong counterbalance to the Morales administration. Cossio's concerns regarding the MAS's intentions may be well-founded, but MAS control of the Constituent Assembly is not a foregone conclusion. End comment.

GREENLEE